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Senator raises pressure to spell out film spending

By Christopher Behnan
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The state Senate Finance Committee has directed Michigan Film Office Director Janet Lockwood to provide a breakdown of the money individual film companies spent in the state while filming here last year.

Committee Chairwoman Nancy Cassis, R-Novi, has requested that Lockwood provide the information by April 27. Lockwood is scheduled to appear before Cassis' committee three days later.

Cassis said Lockwood omitted that information from the film office's scant, three-page annual report. The report did say that film companies will receive a total of \$48 million in rebates for those movies; spent a total \$125 million in Michigan; and created 2,800 temporary jobs on 35 films in 2008.

The senator, a critic of Michigan's film incentive — which provides a rebate of up to 42 percent of a production's costs in Michigan — said the information will help the program become more transparent to the public. Some critics call it a subsidy.

Cassis said the missing information will be added as an addendum to the original 2008 report, and that so far Lockwood's office has shown "noncompliance" with the law.

"What are they covering? What are they shielding? What don't they want disclosed?" Cassis asked.

"We cannot do our job effectively without having the information to review and find out if they are living up to expectations. It's pretty simple," she added.

Cassis claims the office didn't comply with a portion of the incentive law that requires the office to report "the amount of money spent by each eligible production company identified to produce each qualified production in this state and a breakdown of all production spending by all companies classified as goods, services or salaries and wages in the immediately preceding calendar year."

The film office and the Michigan Economic Development Corp., which oversees the office, have said the existing report follows what's required to be reported in the law.

Lockwood and MEDC spokes-man Michael Shore have said the individual spending figures are now confidential tax documents, and that the law protects those figures and other proprietary information for film companies.

Cassis said a state attorney general's opinion or changes to bill's she and state Sen. Jud Gilbert, R-Algonac, have proposed regarding the incentive may be necessary to obtain the missing information.

Their proposals would require the film office to post monthly online progress reports, including the number of approved movie applications, names of applicants and the amount of money a company expects to spend in the state.

The bills currently don't propose listing estimates of rebate per film, or suggest repealing a state Freedom of Information Act exemption for each company's financial information.

Cassis said Senate legal counsel learned that the information act exemption could be challenged by a state attorney general opinion or by amending her legislation to strike the exemption language in the law.

Cassis said striking the information exemption would also contribute to transparency.

"We are not going to let this go," she said.

Parallel Media — the California-based production company for the film "High School," shot at the Howell Public Schools Parker Campus and elsewhere in Livingston County — has said it had a total budget of roughly \$19 million, most of which it said was spent in Michigan.

A company executive told the Midland-based Mackinac Center for Public Policy think tank that the company expects to receive a \$5.7 million taxpayer-funded rebate.

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Additional Facts

ON THE WEB

* **Michigan Film Office:** www.mich.gov/filmoffice

* **Michigan Economic Development Corp.:** www.michiganadvantage.org

* **Parallel Media:** www.parallelmediafilms.com
